



## TAXPAYER'S GUIDE TO LOCAL PROPERTY TAX EXEMPTIONS

### COMMUNITY PRESERVATION ACT (CPA) SURCHARGE

The Board of Assessors has created this fact sheet to provide general information about local property tax exemptions. **It is not designed to address all questions or issues and does not change any provision of the Massachusetts General Laws. To find out about the specific eligibility and application requirements in Arlington, you should contact the Assessors' Office.** Property taxes are assessed and collected by cities and towns. Under state law, only your Board of Assessors, as the local tax administrator, can decide whether you qualify for an exemption. If you disagree with its decision, you may appeal to the state Appellate Tax Board.

#### INTRODUCTION

Cities and towns may give property tax exemptions to some individuals as defined by state law. An exemption discharges a taxpayer from the legal obligation to pay all or a part of the tax assessed for the fiscal year. Exemptions are found in various clauses of Massachusetts General Laws Chapter 59, Section 5 (M.G.L. c. 59, § 5).

The CPA surcharge was adopted by Arlington voters on November 4, 2014 and began funding in FY 2016. The Town of Arlington began collecting surcharge revenue on the August 3, 2015 real estate tax bills and continues collection on a quarterly basis. The Act establishes a dedicated funding source to enable the Town to:

- Acquire or preserve open space
- Rehabilitate or create local parks, playgrounds & athletic fields
- Preserve or restore historic resources & artifacts
- Help meet local families' housing needs

The vote approved a 1.5% surcharge on the net property taxes, with the following exemptions:

- \$100,000 of the value of each taxable parcel of residential real property
- Property owned and occupied as a domicile by any person who qualifies for the low income CPA exemption.
- Property owned and occupied as a domicile by any senior (60+) who qualifies for the low or moderate income CPA exemption.
- \$100,000 of value of each taxable parcel of class 3, commercial property and class 4, industrial property as defined in section 2A of said Chapter 59.

<b>EXEMPTION AMOUNT</b>	Total Exemption from CPA Surcharge. The CPA surcharge is a 1.5% surcharge on your net taxes, after \$100,000 has been reduced from the assessed value. Formula of calculating CPA Surcharge ((Assessed Value-\$100,000) x (Tax Rate÷1000) x 1.5%) Example using FY 2019 average single family home value & tax rate ((752,184-100,000 x 11.26÷1000 x 1.5%)) = <b>\$110.15</b> total CPA surcharge for year
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<b>APPLICATIONS</b>	You must file an application for each fiscal year with the Assessors Office. The application is due April 1, or three months after the actual tax bills are mailed, whichever is later. <b>Filing on time is required. By law, the Assessors may not waive this filing deadline, nor act on a late application, for any reason.</b> Filing an application does not entitle you to delay your tax payment.																													
<b>DOCUMENTATION</b>	You must provide the Assessors with whatever information is reasonably required to establish your eligibility. This information may include, but is not limited to: <ol style="list-style-type: none"> <li>1. Birth certificates.</li> <li>2. Evidence of ownership, domicile and occupancy.</li> <li>3. Income tax returns.</li> </ol>																													
<b>NUMBER OF EXEMPTIONS</b>	Unlike most other exemptions, the CPA surcharge exemption, may be combined with the other exemptions. For seniors filing Clause 41A, tax deferral, the CPA surcharge cannot be deferred. It would either need to be paid or exempted.																													
<b>ELIGIBILITY REQUIREMENTS</b>	You must satisfy tests relating to domicile, ownership, occupancy, annual income and in some cases age. You must meet all eligibility requirements as of January 1 of the preceding year. If you do not meet all requirements as of January 1, you cannot receive all or any portion of the exemption for that tax year.																													
<b>OWNERSHIP AND DOMICILE</b>	You must own and occupy the property as your domicile. Your domicile is where your principal and legal home is located, your family, civic and economic life is centered and you plan to return whenever you are away. You may have more than one residence, but only one domicile. <ol style="list-style-type: none"> <li>1. If you hold a life estate in the domicile, you are the owner.</li> <li>2. If your domicile is held in a trust, you are the owner only if:               <ol style="list-style-type: none"> <li>a) You are a trustee or co-trustee of that trust, <b>and</b></li> <li>b) You have a sufficient beneficial interest in the domicile.</li> </ol> </li> </ol>																													
<b>INCOME LIMITS</b>	Your income (gross receipts) for the previous calendar year cannot exceed a specified limit, depending on your age and household size. <table border="1" data-bbox="391 1372 1289 1921"> <thead> <tr> <th rowspan="2"><b>Household Size</b></th> <th colspan="2"><b>Annual Income Limit for the CPA Exemption</b></th> </tr> <tr> <th>Senior Household Type: Property Owned by Senior (60+)</th> <th>Non-Senior Household Type: Property Owned by Non-Senior (&lt;60)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$79,310</td> <td>\$63,448</td> </tr> <tr> <td>2</td> <td>\$90,640</td> <td>\$72,512</td> </tr> <tr> <td>3</td> <td>\$101,970</td> <td>\$81,576</td> </tr> <tr> <td>4</td> <td>\$113,300</td> <td>\$90,640</td> </tr> <tr> <td>5</td> <td>\$122,364</td> <td>\$97,891</td> </tr> <tr> <td>6</td> <td>\$131,428</td> <td>\$105,142</td> </tr> <tr> <td>7</td> <td>\$140,492</td> <td>\$112,394</td> </tr> <tr> <td>8</td> <td>\$149,556</td> <td>\$119,645</td> </tr> </tbody> </table> <p>These income limits are adjusted for household size and are based on the FY2019 median income published by HUD (\$113,300)</p>	<b>Household Size</b>	<b>Annual Income Limit for the CPA Exemption</b>		Senior Household Type: Property Owned by Senior (60+)	Non-Senior Household Type: Property Owned by Non-Senior (<60)	1	\$79,310	\$63,448	2	\$90,640	\$72,512	3	\$101,970	\$81,576	4	\$113,300	\$90,640	5	\$122,364	\$97,891	6	\$131,428	\$105,142	7	\$140,492	\$112,394	8	\$149,556	\$119,645
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<b>INCOME LIMITS continued</b>	<b>Gross receipts means income from all sources and is broader than taxable income for federal or state income tax purposes.</b> When determining annual household income, all household members who are 18 or older and not full time students during the previous calendar year are included. Income includes but is not limited to, wages, salaries and bonuses, public and private pensions, retirement income, Social Security, alimony, child support, interest and dividend income, net income from business or property rental, public assistance, disability and unemployment insurance, regular contributions/gifts.
<b>DEDUCTIONS</b>	Deduct allowance for Dependents, number of dependents on January 1 (not including spouse) x \$300. Deduct (certain) Medical Expenses. Total out of pocket medical expenses of all household members for the preceding calendar year, (total must exceed 3% of household annual gross income in order to be deducted). Out of pockets medical expenses must be documented and includes: health insurance premiums, payments to doctors, hospitals and other health care providers, diagnostic tests, prescription drugs, medical equipment or other expenses not paid or reimbursed by employers, public or private insurers or other third parties.
<b>EXEMPTION CREDIT</b>	If the Assessors decide you are eligible and grant an exemption, the amount granted is credited toward and reduces the tax outstanding on your domicile for the fiscal year. You will not receive a refund unless you have already paid the entire year's tax at the time the exemption is granted.
<b>SALE OF DOMICILE</b>	If you are selling your domicile, you should make your attorney aware that you receive a property tax exemptions that reduces the tax owed for the fiscal year. The sale is a private financial transaction and as a party, you are responsible for seeing that the exemption is properly credited at the closing, through escrow or other arrangements, when the parties make adjustments for local property taxes or charges. Your city or town is not responsible for seeing that you and the buyer allocate the property taxes so you get benefit of the exemption.
<b>APPEALS</b>	
<b>Appellate Tax Board</b>	The Appellate Tax Board (ATB) is an independent, quasi-judicial state board that hears taxpayer appeals from local Assessors' decisions on property tax abatements and exemptions. ATB decisions may be appealed to the Appeals Court and, ultimately, to the Supreme Judicial Court. You can obtain the ATB's guide to the property tax appeal process from its website ( <a href="http://www.mass.gov/atb">www.mass.gov/atb</a> ) or by calling 617-727-3100.
<b>Appeal of Action of Assessors</b>	You have 3 months from the date of the Assessors' decision on your exemption application to appeal to the ATB. This includes decisions to deny any exemptions or to grant an exemption that provides a lesser benefit. If the application was deemed denied, your appeal must be filed within 3 months of the deemed denied date. As a general rule, if the real estate tax on your domicile is over \$5,000, you must also have paid all preliminary and actual tax installments on time for the ATB to hear your appeal. The Assessors may grant the exemption or higher the exemption in the final settlement of your application during the 3 month period for filing an appeal. In that case, you do not have to have filed an appeal with the ATB. However, if a
<b>Appeal of Action</b>	

<b>of Assessors continued</b>	settlement is not reached and an exemption not granted during that period, you must have filed your appeal by the deadline. If not, the ATB cannot hear the appeal.
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<b>ASSESSMENT AND EXEMPTION CALENDAR</b>	
<b>January 1</b>	Property Tax Assessment Date for Next Fiscal Year CPA Exemption Eligibility Date for Fiscal Year
<b>July 1</b>	Fiscal Year Begins All other Real Estate Exemption Eligibility Date for Fiscal Year
<b>December</b>	Actual Tax Bills Mailed for Fiscal Year
<b>February 1 (Quarterly Payment Communities)</b>	First Actual Installment Payment Due
<b>April 1 or 3 Calendar Months from Mailing of Actual Tax Bill if later</b>	Personal Exemptions Applications to Assessors Due
<b>3 Calendar Months from Filing of Application (or Date of Written Extension Given by Taxpayer)</b>	Board of Assessors Grant or Deny Exemption Application Deemed Denied if Board of Assessors Have Not Acted
<b>3 Calendar Months Assessors' Action on Application, or Deemed Denial of Application</b>	Appeal to ATB Due

**For more information, including exemption applications, please contact the Assessors' Office  
[arlingtonma.gov/assessors](http://arlingtonma.gov/assessors)    [assessors@town.arlington.ma.us](mailto:assessors@town.arlington.ma.us)    (781) 316-3050**